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ENVIRONMENTAL ASSESSMENT

MATHIAS METAL SYSTEMS LOAN FOR EQUIPMENT PURCHASE

Humphreys County, Tennessee

PREPARED BY:
TENNESSEE VALLEY AUTHORITY

SEPTEMBER 2008

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Proposed Action

The Tennessee Valley Authority (TVA) proposes to make a loan to Mathias Metal Systems (MMS) to purchase equipment for its fabrication facility located at 756 Airport Road, within an existing industrial park in Waverly (Humphreys County), Tennessee. (See the location maps in Attachment 1.) MMS is currently completing this new facility on a 7-acre site in the industrial park. The proposed equipment to be purchased with the loan includes a 14-foot x 165-ton press brake and related profile dies, a 10-foot Roro-Die power brake, a plasma cutter, two liquid propane gas-powered forklift trucks (5,000 pounds and 9,000 pounds), a 10-horsepower compressor, a 5-horsepower compressor, two 200-ampere welders, vertical and horizontal bandsaws, a 16-gauge x 10-foot hand brake, a 12-foot x 1/4 power shear, and miscellaneous material handling equipment.

Purpose and Need

MMS currently outsources all of its fabrication. To have more control over production quality and scheduling, MMS is constructing its own fabrication facility, which would house the equipment that TVA proposes to fund. The purchase of the equipment would assist the company in expanding its operations and would allow MMS to increase employment by 50 jobs to a total of 56 employees by 2013.

Background

Since 2002, MMS has been specializing in supplying engineered insulation and lagging systems for high-temperature air pollution control (APC) equipment (bag houses, scrubbers, selective catalytic reduction systems, and precipitators) used to reduce air pollution emissions from coal-fired power plants. Lagging is the term for the finishing material (steel or aluminum) used to cover the insulation. The new plant being constructed includes two 15,000-square-foot metal buildings with office space for engineers and management staff, a warehouse, and a manufacturing plant capable of working up to 50 sheet metal workers or insulators. The locations of the industrial park and site for the buildings are shown in Attachment 2.

Alternatives and Comparison

There are two feasible alternatives; i.e., the Action Alternative and the No Action Alternative. Under the Action Alternative, TVA would make the loan to MMS for the purchase of the equipment. Under the No Action Alternative, TVA would not make the loan to MMS. In this event, MMS would either seek alternative funding, or would use its own funds and continue with the expansion. If MMS obtained alternative funding or self-funded the purchases, overall environmental consequences under either alternative would be similar. Regardless of the source of funding for the manufacturing equipment, the expansion would most likely result in minor solid waste and traffic impacts.

Affected Environment and Evaluation of Impacts

The proposed action would result in the purchase, installation, and operation of new manufacturing equipment in buildings already under construction in an existing industrial park. There would be little impact to terrestrial ecology because the area is already heavily disturbed. The proposed action would not affect endangered and threatened species or wetlands and would have no potential to affect cultural resources. As shown in the Flood Insurance Rate Map (Attachment 3), the MMS facility does not lie in a 100-year floodplain.

Because the company's manufacturing process results in no air emissions or industrial wastewater effluents and generates no hazardous waste, the new facility would likely have little, if any, additional impacts to air and water quality. (The insulation is a type of nonhazardous mineral wool made from melted basalt rock. Panels made by suppliers would be trucked to MMS for assembly into the systems.) MMS will be connected to city water and sewer, and the manager of the water and wastewater systems has confirmed that the water demand and wastewater from the MMS facility can be managed. The wastes produced from operation of the equipment would include minor amounts of insulation materials, scrap aluminum and steel, and office waste. The minor amounts of insulation and office waste would be disposed of by a licensed waste management company in a permitted landfill. The scrap aluminum and steel would be picked up by a licensed recycler. Because the facility is located within an existing industrial park with adequate capacity on nearby roads, traffic impacts from the additional employees and the anticipated one to three tractor-trailer trucks per day would be insignificant.

Cumulative Impacts

Due to the small size of the new operation and lack of adverse direct and indirect environmental impacts, TVA has concluded that the incremental effect of this project, when added to other past, present, and reasonably foreseeable future actions, would have insignificant cumulative impacts.

Mitigation Measures

TVA has not identified the need for mitigation measures to further reduce potential impacts of its proposed action.

Preferred Alternative

TVA's preferred alternative is the Action Alternative.

TVA Preparers

This environmental assessment was prepared by Bill L. Zotto, project control specialist, with the assistance of Linda Shipp, contractor, and Peter K. Scheffler, senior NEPA specialist.

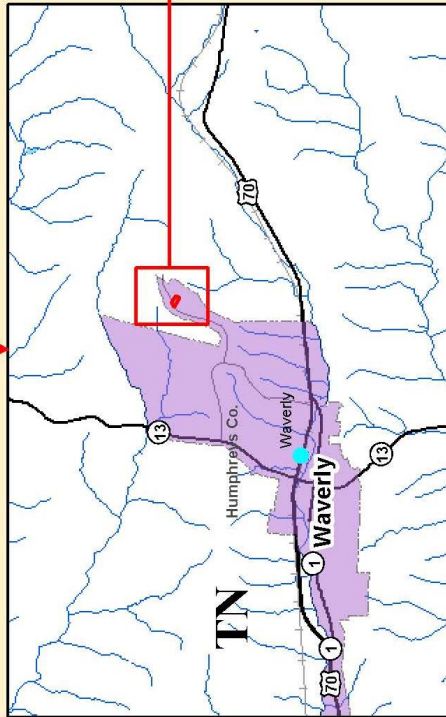
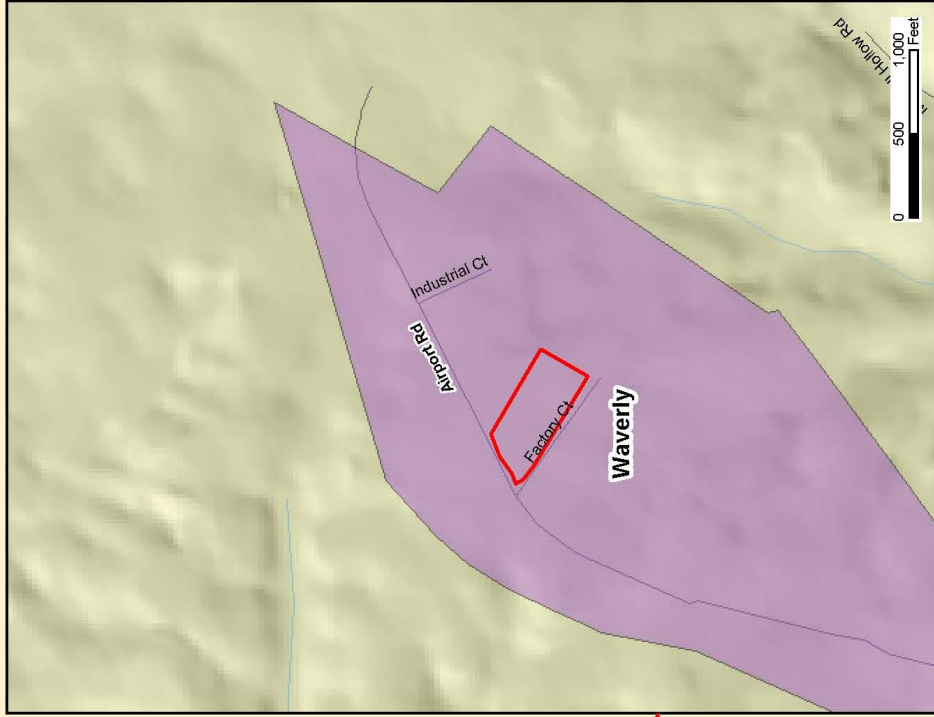
Others Consulted

Stan Mathias, MMS owner

Attachments

1. Location Maps
- 2a. Aerial Photo Map
- 2b. Topo Map
3. Flood Insurance Rate Map

Attachment 1 – Location Maps



Prepared July 2008 by:



Economic Development
Technical Services



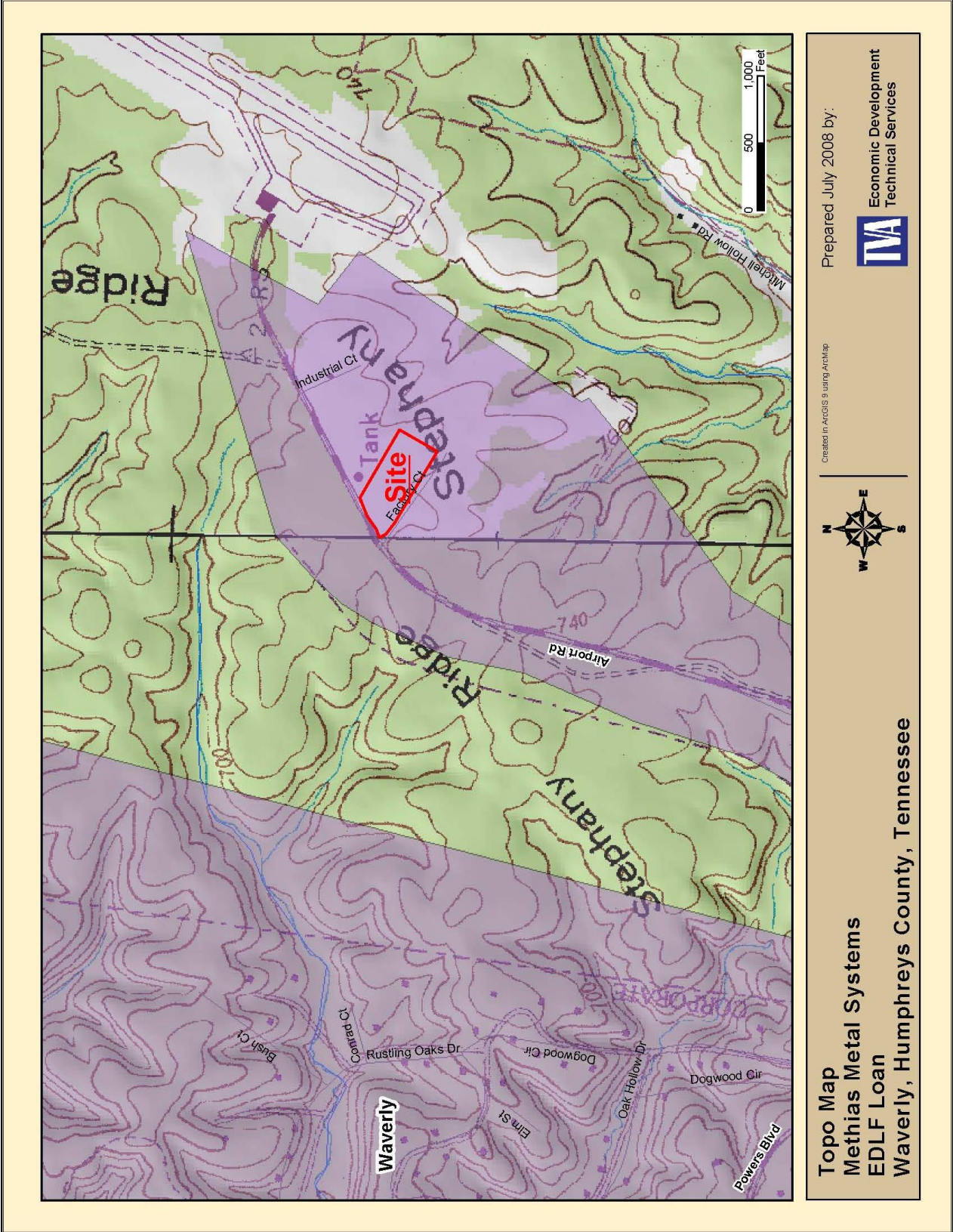
Created in ArcGIS 9 using Aerial Map

Location Map
Mathias Metal Systems
EDLF Loan
Waverly, Humphreys County, Tennessee

Attachment 2a – Aerial Photo Map



Attachment 2b – Topo Map



Attachment 3 – Flood Insurance Rate Map

